

are going to be irresponsible, they won't be able to make the coverages, they won't be able to make the payments. This is what they have been doing for the last five or six years. And what happens is they have health coverage, first dollar. In other words, if you have any cost, you go to the doctor and you submit your claim and your health insurance company pays that claim. You don't have a deductible because under your employee coverage you have first dollar coverage. The first dollar of your expense is paid by your company. That's pretty expensive. You go in for your flu shot, you go in for any sort of sore throat or something, the company picks that right up. A lot of cost, a lot of us are sick. Now what the companies have done is to try to maintain that but the employers, the political subdivisions have all gone and said, well, look, we don't want you employees to have less coverage so we're going to pick up your deductible and thus we'll be able to, with our premiums, we'll reduce our cost of health insurance by having a higher deductible but the employee doesn't pay the deductible, we'll pay the deductible for them. That is what this whole issue is about, the right to do that. Political subdivisions have been doing this for the last five or six years and so, as we progress through the morning, I will give you the legal scenario of how we got to where we are today.

PRESIDENT MOUL: One minute.

SENATOR KRISTENSEN: I find it to be a very difficult ruling by the Department of Insurance. This bill is brought to you as a response to a ruling by the Department of Insurance. With that, Senator Wesely has raised to you some issues and questions. I think the real issue that we need to talk about at the present time is, is it going to be worth our time this morning to discuss this issue and to address the problems of skyrocketing health insurance and the rock and the hard spot that we've placed every political subdivision. Every one of you have one in your district and have several. For my money, it's well worth it for us this morning to go through this system, allow us to explain it to you and to present the various options. The bracket motion, as Senator Wesely has given to you, he has raised some issues for us to discuss, no doubt about it. With that, however, I think that the bill does need to go forward and I would resist the bracket motion at this time. Thank you.

PRESIDENT MOUL: Thank you, Senator Kristensen. Senator Nelson.